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August 19, 2004

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: Application for Public Hearing
Proposed Units & Unit Well
Hosston Formation, Reservoir C
Cotton Valley Formation, Reservoir A
Red River Bull-Bayou Field
DeSoto Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **WINCHESTER PRODUCTION COMPANY**, (Applicant), to the Commissioner Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston Formation, Reservoir C, and the Cotton Valley Formation, Reservoir A, Red River Bull Bayou Field, DeSoto Parish, Louisiana:

FOR THE HOSSTON FORMATION, RESERVOIR C:

1. To create one (1) 640 +/- acre drilling and production unit for the exploration of and the production of gas and condensate for the Hosston Formation, Reservoir C, in the Red River-Bull Bayou Field, DeSoto Parish, Louisiana, such unit being designated HOSS RC SUA, shown on the attached plat and being made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
3. To designate the Winchester Production Company – Minor No. 1 Well as the proposed unit well for the proposed HOSS RC SUA, at the location shown on the attached plat.
4. To provide that future wells drilled to the Hosston Formation, Reservoir C, shall be located at least 660 feet from unit lines and 2,000 feet between wells.

FOR THE COTTON VALLEY FORMATION, RESERVOIR A:

1. To create one (1) 640 +/- acre drilling and production unit for the exploration of and the production of gas and condensate for the Cotton Valley Formation, Reservoir A, in the Red River-Bull Bayou Field, DeSoto Parish, Louisiana, such unit being designated CV RA SUA, shown on the attached plat and being made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
3. To designate the Winchester Production Company – Minor No. 1 Well as the proposed unit well for the proposed CV RA SUA, at the location shown on the attached plat.
4. To provide that future wells drilled to the Cotton Valley Formation, Reservoir A, shall be located at least 660 feet from unit lines and 2,000 feet between wells.

FOR BOTH, THE HOSSTON FORMATION, RESERVOIR C, AND THE COTTON VALLEY FORMATION, RESERVOIR A:

1. To permit the downhole combination of the Hosston Formation, Reservoir C, and the Cotton Valley Formation, Reservoir A, in the proposed units designated HOSS RC SUA and the CV RA SUA, Red River-Bull Bayou Field, DeSoto Parish, Louisiana.
2. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Hosston Formation, Reservoir C, in the Red River-Bull Bayou Field, DeSoto Parish, Louisiana, is to be defined as that gas and condensate bearing interval found between the depths of 6,093 feet to 9,134 feet (electric log measurements) in the Sklar Energy, LLC – Minor No. 1 Well located in Section 7, Township 12 North, Range 11 West, DeSoto Parish, Louisiana. The Cotton Valley Formation, Reservoir A, in the Red River-Bull Bayou Field, DeSoto Parish, Louisiana, is to be defined as that gas and condensate bearing interval found between the depths of 9,134 feet to 10,400 feet (electric log measurements) in the Sklar Energy, LLC – Minor No. 1 Well located in Section 7, Township 12 North, Range 11 West, DeSoto Parish, Louisiana.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

Hon. James H. Welsh
Red River-Bull Bayou Field
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A conference to discuss the application was held at 9:30 AM, Wednesday, August 18, 2004. No party attended the conference, other than the undersigned, therefore the conference was adjourned at 10:00 AM.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and the attached letter and plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Attached is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

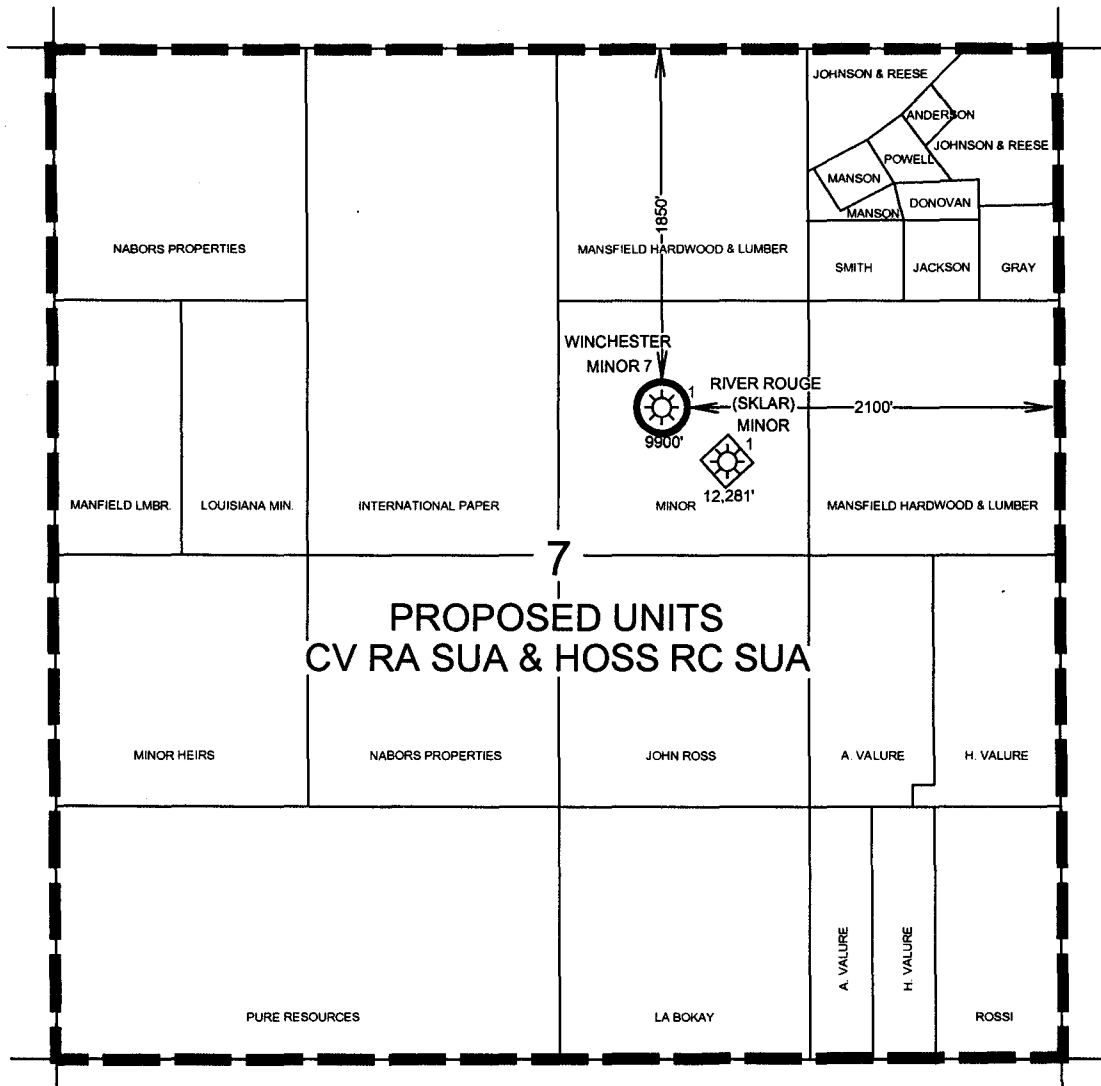


B. F. Anderson, PE for

WINCHESTER PRODUCTION COMPANY




cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties
Mr. Steve Greber, Winchester Production Company

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PROPOSED UNITS
CV RA SUA & HOSS RC SUA

-  PROPOSED UNIT WELLS
HOSS RC SUA & CV RA SUA
-  GLEN ROSE WELL
-  PROPOSED (+/- 640 Ac.) UNITS
HOSS RC SUA & CV RA SUA



WINCHESTER PRODUCTION CO.

RED RIVER-BULL BAYOU FIELD
DESOTO PARISH, LOUISIANA

PROPOSED (+/- 640 AC.) UNITS
CV RA SUA & HOSS RC SUA

AND PROPOSED UNIT WELLS
CV RA SUA; MINOR 7 NO.1
HOSS RC SUA; MINOR 7 NO.1

EXHIBIT NO.1